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Seafood dinner houses face unique challeng

Focus section follows page

Off-premises feeding

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Haute cuisine holds the sauce

Florence Fabricant/Page 9

Nation's
Restaurant News®

The Weekly Newspaper of the Food-Service Industry

Vol. 23, No. 7 | Published every Monday by Lebhar-Friedman Inc.; $3 a copy, $29.50 a year | February 13, 1989

New operators polish image of Milwaukee

Haute cuisine rivals beer and bratwurst

By Carolyn Walkup

MILWAUKEE — A new breed of contemporary restaurants may finally succeed in upgrading the beer and bratwurst image of this Great Lakes city.

The newcomers are honing in on current dining styles popular in larger, more cosmopolitan cities. After a somewhat stagnant period for restaurant openings, several new operations have attracted wide local attention.

"In the next five years, I think Milwaukee will become very strong and will be looked up to by other cities in the country," said Todd Moro, general manager of DKC's Armadillo Grill. He sees opportunities ahead for restaurant operators and other businesses since the city and state governments have stepped up efforts to lure more white-collar businesses to the region.

NRN Photo

Ocean Club Seafood Grill co-owners Steve Samata, left, and Doug Lane next to ceramic blowfish.

Locally, major development is changing the face of an aging downtown. The new Bradley Center for professional and college sports, a Trammell Crow-developed high-rise that includes its Wyndham Hotel, and the future river walk along the Milwaukee River are significant attractions that will lur.. both tourists and local residents downtown.

"More has happened downtown in the last three years than in the preceding 30 years," said Jakob Weissgerber, who, with his brother, Hans, invested about $1 million in opening Third Street Pier restaurant, Hans-Jakob's Milwaukee

*(See **MILWAUKEE**, page 78)*

Unit managers win fattest raises

Labor crisis boosts supervisor pay

By Rajan Chaudhry

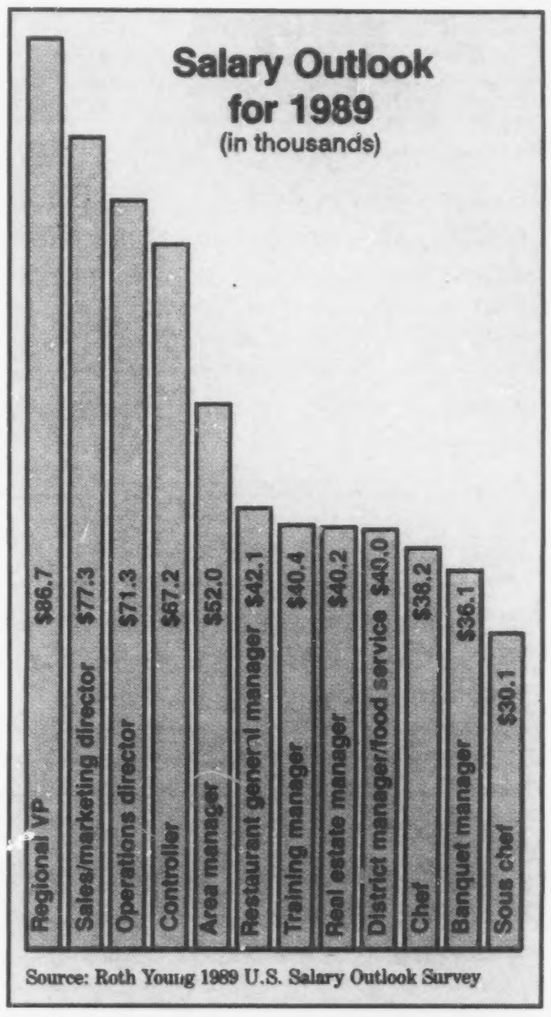
Although the fierce battle for market share is holding most salary increases to less than 6 percent this year, unit managers and those able to recruit and train employees are pocketing double-digit pay increases, according to industry executives and recruiting experts.

And a growing tendency to give unit managers a piece of the action, usually in the form of performance incentives, should widen their lead even further.

Hourly wages rise as operators battle labor shortage
Page 4

"Attracting unit managers and offering career opportunities is where some of the stiffest competition is," said Sharyn Wadsten-Iler, principal of De-

*(See **EXECUTIVE**, page 4)*



Source: Roth Young 1989 U.S. Salary Outlook Survey

National Pizza alters course with bid for Skipper's chain

By Peter Romeo

PITTSBURG, Kan. — With Pepsico commandeering growth opportunities in the pizza segment, the largest franchisee of Pepsico's Pizza Hut chain is seeking new expansion vistas by attempting to buy the Skipper's quick-service seafood chain.

National Pizza, an operator of 322 Pizza Huts here, has tendered a $24.5 million cash bid for the Bellevue, Wash.-based fish specialist, whose 214 units are concentrated in the Northwest. National said it would retain Skipper's as a second business operated by the seafood chain's current management.

Jefferson

The takeover could jolt the sleepy fast-food fish business by bringing in a potentially formidable new competitor. National is widely regarded as a savvy operator with a proven deftness at marshaling rapid growth. Management has said it would tap that acumen to accelerate Skip-

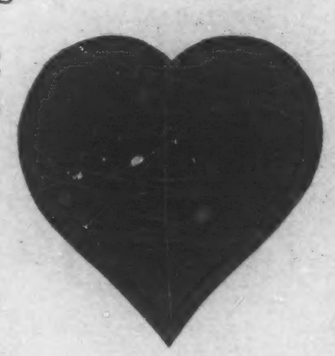
*(See **NATIONAL**, page 78)*

FOOD WATCH

Love at first bite

CHICAGO — Mareva's, a 100-seat Polish restaurant, plans to set aside at least one communal table Valentine's Day for single or unescorted customers.

"We hope strangers meet and fall in love," said manager Penny Iannou.



Mareva's is also offering a special five-course, $49-per-person Valentine's Day menu. Love-themed dishes include Symphony of Wild Dreams, an antelope tenderloin and pheasant combination with pear liqueur sauce; Cupid's Quail with Champagne black currant sauce; Passion and Love, grilled veal tenderloin medallions with passion fruit and heart-shaped truffles in a creamy Cognac sauce; and Butler's Borscht, a pink-and-red cold beet soup, and Scarlett's Cranberry hot soup, named for "Gone With The Wind's" Rhett Butler and Scarlett O'Hara.

Desserts also tug at patrons' heart strings: 1,001 Nights is a strawberry and white chocolate cheesecake, and Swan Lake is a cream-filled pastry with blueberry, pear, and cream sauce.

— Ken Frydman

CHARLES BERNSTEIN: INITIATIVE IS LEGISLATIVE ANTIDOTE — Page F3

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Subscription rate: food-service operators and wholesalers-distributors, one year, $29.50, two years, $59. Auxiliary (consultants, architects, designers, manufacturers, suppliers, and schools) and all others, $59.

Nation's Restaurant News (ISSN 0028-0518) is published weekly, every Monday except the last Monday in December, by Lebhar-Friedman Inc., 425 Park Ave., New York, N.Y. 10022. Second-class postage paid at New York, N.Y., and additional mailing offices. POSTMASTER: Send change of address to: Subscription Department, Nation's Restaurant News, 305 Madison Ave., Suite 535, New York, N.Y. 10165-0079.

For change of address, please write Subscription Department, Nation's Restaurant News, 305 Madison Ave., Suite 535, New York, N.Y. 10165-0079. Six weeks' notice is requested. Please send old and new address and zip codes. If possible, include mailing label.

Vol. 23, No. 7 Feb. 13, 1989

NEWS DIGEST

Church's stockholders withdraw tendered shares

SAN ANTONIO, Texas — A large group of Church's Fried Chicken shareholders have handed a setback to A. Copeland Enterprises, the chicken chain's unwanted suitor, by withdrawing shares they originally agreed to sell to Copeland for $8 apiece.

Their change of heart has reduced the number of shares either sold or tendered to Copeland to 25 percent of total issues outstanding, from 45 percent. The withdrawals suggest that Church's board has finally succeeded in persuading shareholders that Copeland's offer is inadequate.

Meanwhile, in a setback for Church's, a federal judge has rejected the company's request to permanently enjoin the takeover attempt by Copeland, which operates the rival Popeyes fried-chicken chain.

The denial quashes Church's chances of being snatched from Copeland's clutches at the last minute by the courts. Church's has sought in vain since last November to derail Copeland's attempt to buy its larger rival.

Copeland agreed to shelve its takeover plans until Feb. 17 in exchange for receiving privileged information from Church's. The deal permits Church's to continue its search for a "white knight" that could top Copeland's offer.

Ramada narrows bidding for Marie Callender's

PHOENIX, Ariz. — Ramada Inc. has pared down the list of bidders for its Marie Callender's Pie Shops chain and is providing additional information to the finalists, company officials said.

One bidder, who asked not to be identified, said it appears that Ramada wants at least $50 million for the 150-unit, Southern California-based chain of family restaurants.

Ramada officials have said in documents filed with the Securities & Exchange Commission that they would like to sell the chain by July. The divesture is part of an attempt to avert a takeover by the Pritzker family of Chicago.

Jim McMahon's restaurant closes after two years

CHICAGO — Jim McMahon's, the sports bar and casual restaurant here owned by Chicago Bears quarterback Jim McMahon and other investors, has closed.

The restaurant opened two years ago under a management contract with Lettuce Entertain You Enterprises. When that contract expired last year, the owners hired their own operations personnel. In November the owners agreed to let Heartthrob Enterprises, a nightclub chain, take the helm.

The place changed menus too frequently to cultivate a distinct image, observers said.

Jack in the Box rolls new chicken sandwich

SAN DIEGO — Jack in the Box last week added a $2.79 grilled chicken fillet sandwich to the menu of all 950 of its fast-food outlets.

The new item is a skinless, boneless, marinated breast garnished with lettuce, tomato, Swiss cheese, and honey-mustard sauce, served on a whole-wheat bun.

Hardee's chain is testing a similar product.

Pittsburgh fire officials snuff table-top candles

PITTSBURGH — Fire inspectors have begun enforcing a long-ignored civic ordinance that forbids restaurateurs from putting candles on guest tables without first obtaining permission from authorities.

Restaurateurs can also be fined $1,000 for using chaffing dishes or butter cups that are heated from below by a flame.

The regulation, which went into effect about the turn of the decade, requires operators to gain a fire marshall's approval before putting a candle or similar items with flames on table tops. The rule had been rarely enforced.

Outhier to oversee Atlanta restaurant

ATLANTA — Louis Outhier, one of Europe's highest-rated chefs, will soon be putting his culinary stamp on a restaurant here, according to Swissôtel, the innkeeper whose hotels house Outhier's three establishments in the United States.

Swissôtel said it is about to begin construction of a new hotel in the Buckhead region. The 375-room property will include an as-yet-unnamed dining room that Outhier will oversee as executive chef, said Swissôtel.

Outhier's three American restaurants — Restaurant Lafayette in New York, Le Prince in Chicago, and Marquis de Lafayette in Boston — have garnered top ratings from local critics. His restaurant in France, l'Oasis, was given a three-star rating by the Michelin guide.

Oregon hospitality groups merge to end 30-year feud

PORTLAND, Ore. — The Oregon Restaurant and Hospitality Association has agreed to merge with the Oregon Restaurant and Beverage Association in a move that officials say will give the state's food-service industry more clout with lawmakers.

The agreement calls for the new entity, as yet unnamed, to operate under the by-laws of Portland-based ORHA. Members of Salem-based ORBA are expected to fill about a third of the 50 seats on the new organization's board.

The plan was approved by both associations' staffers and members, signaling an end to a three-decade feud.

Kumin named exec chef for Vie de France Corp.

McLEAN, Va. — Albert Kumin, a former pastry chef at the White House and several well-known New York restaurants, has been named executive chef of Vie de France.

Vie de France here operates a chain of bakeries and cafes. It also wholesales bakery items to other food-service operators.

Kumin had served as executive chef of Country Epicure, a pastry supplier that was acquired by Vie de France last year. Previously, he served as pastry chef at the White House during Jimmy Carter's presidency and cooked at the Four Seasons and Windows on the World in New York.

Bankruptcy complicates McFaddin Ventures deal

HOUSTON — Lance McFaddin, co-founder of the McFaddin Ventures nightclub empire, has filed for bankruptcy protection, complicating the planned transference of his company to a group that includes former football star Walter Payton.

McFaddin had granted an option to buy his 56-percent stake in McFaddin ventures to Payton, businessman Paul Holmes, and nightclub operator Stuart Sargent. According to government filings, Holmes alerted McFaddin on Jan. 4, 1989, that the option would be exercised on Jan. 16, 1989. On Jan. 14 McFaddin filed for bankruptcy.

McFaddin subsequently granted Holmes and his group an irrevocable proxy to vote the 2.8 million stock shares covered by the option. Holmes and his partners are expected to wield their voting power to approve a merger between McFaddin Ventures and Leisure Acquisition, a company controlled by Sargent.

Deck collapses, injures 15 at Calif. restaurant

MORGAN HILL, Calif. — Fifteen people were injured, three seriously, when an outside deck suspended 15 feet above the ground gave way at the Flying Lady II restaurant here.

Owners Irv and Jan Perch have agreed to pay to have the building inspected by structural engineers. Officials of Morgan Hill, a community 20 miles south of San Jose, said the restaurant cannot reopen until engineers declare it sound and the deck is rebuilt.

Arctic front puts Alaskan operators on ice

By Alan Liddle

ANCHORAGE, Alaska — Memorable. Miserable. Costly.

Those words sum up the close of January and first days of February for scores of Alaska restaurateurs and distributors who tried to conduct business while a wicked Arctic front produced temperatures of minus 100 degrees and lower.

Among the woes that were reported by managers and owners during the subzero onslaught that lasted three weeks:

- Slumps in sales of 5 percent to 50 percent compared with last year's.
- Interruptions in supply lines.
- Frozen sewage pipes and water mains, even pipes buried 15 feet underground froze in some areas.
- Water damage caused by leaking interior plumbing that cracked after freezing.
- Fluctuating staff sizes resulting from changes in the weather and the inability of some employees to reach work.

"How's business? I'll tell you how business is: There are two of us sitting here, and we own the place," a somewhat feisty Frank Benson of Hobo's Yukon Inn in Galena remarked.

Benson's assessment came on a day when the temperature in Galena, an interior village, hovered at about 72 degrees below zero. On a more typical February day, he said, he and his partner would probably serve up to 25 customers.

Clinkerdagger's, Bickerstaff & Petts Public House, a high-volume dinner house in Fairbanks, was among the restaurants hit hardest by the super freeze.

Known to locals as "Clink's," the restaurant was closed for 10 days after water pipes froze and burst, causing thousands of gallons of the wet stuff to sweep through the building. Manager Rick Winningham, who said repairs cost about $89,000, estimated that the restaurant lost $50,000 in business during the closure.

In another section of Fairbanks, customer counts at Ken Hume's licensed Denny's plummeted along with the mercury, he said.

Hume said that during the cold spell sales at his Fairbanks unit fell off by 50 percent compared with last year's. His three Anchorage Denny's restaurants, he said, were down by an average of 33 percent.

To reduce losses, Hume said, "We've been cutting back employee hours as much as possible."

A few restaurateurs, including Ron Eagley of Gwennie's Old Alaska Restaurant in Anchorage, credited the cold with boosting business.

Eagley said he was taking in $300 to $500 more a day because of visits by the likes of stranded travelers and airline crews, people who had planned to go skiing but found the slopes closed, and fishermen waiting for a break in the weather so they could be shuttled out to relieve coworkers.

Godfather's Pizza district manager Mike Shoemaker said that while fewer people were stopping by to eat at his company's eight Alaskan units, sales remained somewhat level because delivery orders were up.

"It's a trade-off," Shoemaker said.

But Wayne W. Walker, president of A&W Wholesale Co., a Fairbanks supplier that handles 125 food-service accounts, said, "It [business] has been extremely slow as far as the restaurants go — both fast food and other [types]."

On that particular day, Walker said, there were five people who were working at A&W instead of the usual 13: "We [only] had 25 orders on the rollers this morning; the bulk of them were small."

In order to fill out his staffing roster during the cold spell, Bob Hugo, catering manager of the Westmark Hotel in Fairbanks, said it sometimes became necessary to add "chauffeur" to his job description.

"At times during the past week, taxi service has had four and five-hour waiting times, so I've had to go out and pick up a few employees," he quipped.

Executives come out ahead

(Continued from page 1)

catur, Ga.-based Executive Development Services, an executive search and public-relations group specializing in food service and hospitality.

At Commack, N.Y.-based Sbarro Inc., for example, managers are eligible for one bonus tied to their stores' pretax earnings and another that gives them 5 percent of sales above the budgeted target, which is paid quarterly, and another 5 percent if yearly sales exceed budget by 10 percent or more.

Sbarro — which operates a rapidly growing chain of Italian restaurants, located mainly in malls — has implemented a franchise opportunity program that guarantees 100-percent financing for managers who have been with the company at least three years and have excellent track records. It also offers vacations and luxury cars as incentives.

"Without a doubt," said chairman Mario Sbarro, "a company that expands without giving serious consideration to the people side of picture is foolish."

Within the past year Nashville, Tenn.-based Shoney's Inc., whose operations include Shoney's and Captain D's restaurants, has added performance-based stock options to its list of incentives for unit managers. Shoney's already had other profit-sharing plans in place before the implementation of the new program.

And as a result of its partner-manager profit-sharing plan, French-bakery concept Au Bon Pain has cut management turnover to less than 5 percent from about 40 percent just a few years ago.

A 1988 survey by the National Restaurant Association placed the shortfall of employees in the nation's eating places at 200,000, and by all indications, that trend will continue for years.

Not only is the supply of new unit-level managers dwindling, but companies are also asking more from them. And salaries, profit-sharing plans, stock options, and perquisites are reflecting those pressures.

"The trend has been to increase skills at the unit level so that you get a well-rounded operator, somebody who can drive sales and is strong in hiring, training, and motivating," said Maurice Rowe, a recruiter specializing in franchise and family restaurants and a partner in Roth Young's Boston office.

"You're getting a well-rounded, highly skilled operator at the store level, so you're trading up in compensation," Rowe said.

David Neumann, Hardee's director of compensation, agreed: "These people aren't just cooks any more. They are running a million-dollar-plus business, and they need all the skills that a professional businessperson needs to properly manage a business."

The same forces that are fueling increases in unit managers' salaries are driving up the pay of franchise district managers, Rowe said.

"Because the marketplace is so competitive and so tough, both from a standpoint of driving sales and containing costs, a franchise field consultant or district manager has to be more than just a good hands-on multiunit operator. He has to be able to communicate marketing, management development, and finance advice," Rowe said.

"You can't just be good at one or two parts of the puzzle any more; you have to be good at all of them in order to win."

Because operators are dedicating more resources toward solving their labor problems and providing the higher levels of training required in today's marketplace, human resources specialists will earn hefty raises this year.

Training managers, for example, can expect salaries to rise to a median $40,000 this year, according to a forecast survey by New York-based Roth Young Personnel Service Inc. And general managers will get a median $42,100, according to Roth Young.

CORRECTION

"Restaurateurs battle INS crackdown," page 1, Jan. 23, incorrectly said El Torito Restaurants had been fined 12 times for immigration law infractions since last June. The company has been audited 12 times but was fined only once for 12 alleged violations totaling $15,000.

* * *

"Wendy's sells 22 Fla. units," page 60, Jan. 9, misrepresented Wendy's assessment of the sale's effect on 1988 earnings. In fact, Wendy's said the divestiture would help the company approach analysts' earnings estimates of 30 cents per share.

More rises seen for hourly wages as operators battle labor shortage

By Rajan Chaudhry

Hourly wages are expected to rise 4 percent to 6 percent this year as operators, faced with low unemployment and a declining number of teen-agers in the labor force, compete to attract and retain workers.

By the year 2000, the U.S. Labor Department estimates, the number of 16- to 24-year-olds will have dropped 3.5 percentage points, to 16.3 percent of the work force. And according to a recent survey of Monthly Labor Review data, fast-food counterpersons logged the lowest median stay in their jobs — one and one-half years — of all positions audited.

Managers who haven't already raised wages probably will this year. A survey of restaurant managers conducted last year by the National Restaurant Association revealed that 31 percent had already raised starting wages and 23 percent expected to raise them.

In addition to higher base wages, more and more operators are adding to their arsenal of worker incentives through performance-linked bonuses, scholarships, and day-care programs.

Rocky Mount, N.C.-based Hardee's, for example, gives its hourly employees a piece of the action through a profit-sharing program being tested in some 40 units.

A Hardee's unit in Stillwater, Minn., provides day-care assistance for working mothers.

And a Burger King in Detroit, Dairy Queen restaurants in Texas, and North Canton, Ohio-based Country Manor Family Restaurants offer college scholarship programs for their employees.

Herb Schervish, owner of the Detroit Burger King, spent $10,000 for employees' tuition at a local community college but saved much more than that through decreased turnover and a 3-percent increase in productivity.

According to a study conducted by California State University at Fullerton, annual turnover among Schervish's college-enrolled workers was 58 percent vs. a 240-percent rate for his other employees. In 1986 and 1987 employee departures cost the unit $62,000 in training and expenses.

The success of the Burger King program has since prompted the Michigan Food and Beverage Association to endorse it for its members.

Country Manor also provides financial aid to employees.

Under Country Manor's Special Student Bonus Program, students who agree to work through Labor Day 1989 and save 50 cents per hour toward their tuition receive a bonus equal to half the money saved. And the first 50 students who enroll receive a $50 savings bond. Country Manor's starting wage is $3.50.

Hardee's Stillwater unit targets another segment of the work force: the working mother.

The unit pays the $50 enrollment fee and half the expenses at a local day-care center and expands that to cover 75 percent of the costs if the working mother stays at least one year.

Wage rates for hourly employees

Title	Median hourly wage*
Chef	$9.80
Baker	5.75
Cook	5.71
Assistant cook	5.00
Salad preparation worker	4.75
Host/hostess	4.75
Bartender	4.75
Short-order cook	4.64
Janitor/porter	4.57
Cashier	4.50
Cafeteria server	4.25
Dishwasher	4.25
Counter worker	3.90
Busperson	3.50
Waiter/waitress	2.35

*excluding tips

Source: National Restaurant Association, 1988 data

FOCUS | OPINION

Nation's Restaurant News

is published by
LEBHAR-FRIEDMAN INC.
425 Park Ave., New York, NY 10022
212 371-9400
Subscription Services, ext. 379 or 419
Cable Address: LEBHAFRIED
Panafax: 212 838-9487

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Japan Diamond-Friedman Ltd., Chain Store Age News, Japan 1-4-2 Kasumigaseki, Chiyoda-ku, Tokyo, Japan, 504-6750

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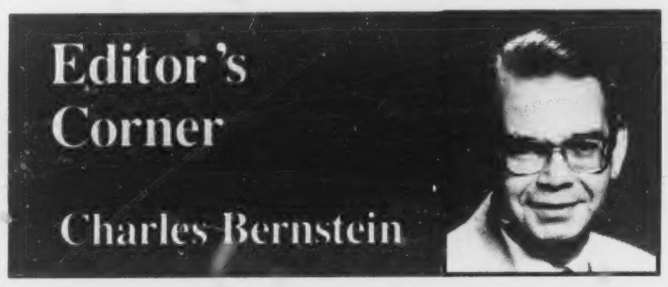
Legislative antidote: Industry initiative

If anyone thinks the minimum-wage battle or any of the Capitol Hill struggles were really won last year, take another look. Almost the same legislation is proliferating early in the new Congress, and President Bush has indicated a commitment to feasible social legislation.



Rep. Gus Hawkins, D-Calif., has introduced new legislation to raise the federal hourly minimum wage from a current $3.35 to $4.65 in three annual stages by 1992. The bill stands an excellent chance of passage. The fourth-stage provision for a rise to $5.05 — which contributed to the bill's 1988 defeat — has been dropped.

At the same time the proposed law would offer the food-service industry some consolation in that it would finally raise the tip credit from a current 40 percent to 50 percent. Employers thus could count tipped income for half their minimum-wage obligations.

In addition, the bill would exempt companies with less than $500,000 annual sales from the federal minimum-wage provisions, instead of the current $362,500 ceiling. Still, only individual restaurants with below-average sales would in effect be eligible for the exemption.

It well may become a political necessity for the industry to agree to some sort of minimum-wage bill. Arguments repeatedly raised against higher minimum wages have merit but don't necessarily impress consumers and politicians anymore; for example, that passage of such a bill would backfire and lead to reductions in work hours, number of new workers hired, and restaurants able to survive.

The National Restaurant Association asserts that minimum-wage legislation would not help the "poor" household heads it is designed to aid and that a new plan should be drafted to directly help the working "poor" without impeding the economy's growth. We would like to see the NRA's proposal presented in specific terms as soon as feasible.

Once again, the industry is being made a scapegoat for the huge federal deficit. Leaders must take the offensive and devise a far more positive strategy, rather than merely sniping at all the legislation being reintroduced.

An encouraging sign is that Rep. Hank Brown, R-Colo., has again launched legislation that would repeal the reprehensible year-old law requiring restaurateurs to pay FICA taxes on all reported tips. That bill marked the first time in history that employers were obligated for payroll taxes on non-payroll income. In 1988 Brown appeared to have support from 67 congressmen to repeal the legislation, but it never got out of the House Ways and Means Committee.

This bill cost the restaurant industry an estimated $200 million last year, and the toll is likely to double this year — to say nothing of the horrendous paperwork. The burden falls most heavily on the small restaurateur who can least afford it.

Also in the offing are renewed efforts to gradually reduce the 80-percent business meal tax deduction — which was chopped from 100 percent two years ago — to 50 percent and less. A plan introduced last year by Sen. Bill Bradley, D-N.J., to trim down the 80-percent figure was soundly defeated, but we might not be so lucky this time.

Another measure destined for reactivation and possible passage involves mandated job leaves for parents of ill or newborn children. Here the industry's challenge is to switch the focus of the "work-family" issue to child care — not the easiest approach, since 67 various child-care proposals were introduced in Congress last year and went nowhere.

But one of these plans, the Act for Better Child Care Services, might pass this time. It would establish child-care federal regulations and matching grants to states. The resultant affordable programs would encourage non-profit child-care centers and would bring into the work force many employees who otherwise would have to stay home with their children.

Such constructive legislation would also aid restaurant employers who desperately need a wider labor supply. An initial annual cost projection of $2.5 billion is a possible obstacle.

Mandated health legislation won't go away and would in effect penalize restaurants. It would require extensive health benefits for employees who work at least 17.5 hours a week. Employers would have to pay 80 percent of the premiums and would be subject to 10-percent penalties on annual wage expenses for non-compliance.

The Concerned Alliance of Responsible Employers (CARE) — a coalition of companies and trade groups, including the NRA — has been battling against employee benefits legislation. But we see real hope in a positive alternate plan being advanced by Sen. Orrin Hatch, R-Utah, to find another way to handle workers who have no medical insurance and desperately need it. Rather than mandating health benefits, this plan would provide incentives to employers, encouraging them to give health-care benefits.

In these legislative matters, the free-enterprise system, with incentives and voluntary actions in a free economy, is far preferable to mandated government actions moving toward socialism.

Why should restaurants have to bear an unfair burden of revenue-raising efforts to solve the monumental federal deficit crisis? This becomes even more of a threat if President Bush's lips were read accurately and federal taxes or even gasoline taxes won't be raised. It certainly won't help anyone if financially hard-pressed restaurants are further pushed to the wall economically and jobs are lost.

The industry should not walk away from its obligations. Nor should the government use restaurants as convenient revenue-raising scapegoats. Most of all, food-service leaders must offer positive alternate solutions.

LETTERS

Former BK insider shares views on chain's turmoil

Editor, NRN:

Regarding your Dec. 19 article "BK Shuffle: Turnover Mirroirs Turmoil":

How sad the BK chronicle is! And, you know, it's even sadder because in 1978-79 BK was the toast of the industry. All indications (sales, market research, and so on) pointed to BK's finally closing the average sales-unit gap between itself and McDonald's. We had Big Mac on the run.

As an "insider" for many years, I would like to share a perspective on exactly what happened. We had spent eight years in getting BK moving. While I was vice president and executive vice president of marketing for those years (I guess I hold the longevity records for this position by a mile), we first brought out "Have It Your Way" in 1973-74 to start some momentum. Then in 1977-78 we got a marketing steamroller going.

The steamroller consisted of a three-part program: the Magic Burger King kids program, the line of specialty sandwiches, and Don Smith's ability to get massive funds from Pillsbury to remodel our restaurants and improve our back-room production.

Then, in 1979, three events combined to "kill" our momentum and the turmoil you so aptly described since then has done the rest. The three events happened rapidly:

(1) First, although they all admitted to great success with the kids' program, the franchisees began to "waffle" in their support. Many markets dropped the extra 1-percent ad contribution for the program just when the program reached the zenith of its success.

Campbell dropped all kids' advertising in the early '80s, in my opinion a dreadful decision.

(2) Second, the two key architects of the master plan to overtake McDonald's, Don Smith and yours truly, left the company. You've chronicled his story. Mine is equally simple. I was terribly frustrated by lack of franchise support and Don's insistence on putting key people under me in the marketing department that I didn't want.

So I welcomed an opportunity to be executive vice president of Arby's when it was offered.

(3) Third, a vacuum in leadership followed these departures. That led to a mad scramble for power, which, in turn, created the need to change things for the sake of change. The early success in the '80s came, in my opinion, from our late '70s momentum, but it was also based on a strategy rather than any long-term strategic thrust.

In short, the leadership in marketing gravitated to "pleasing the franchisees," rather than leading them through consumer research and consumer test results.

On a personal note, I am still rooting for BK and wish you and all my other friends in the industry the very best of everything.

— E. Christian Schoenleb
vice president, franchise operations/East
Midas International Corp.
Chicago